



GOVERNOR
Edmund G. Brown Jr.

January 10, 2011

To the Senate and the Assembly of the California Legislature:

I hereby submit to you my proposed Budget for 2011-12.

This Budget proposes a far-reaching realignment of government functions by restoring to local government authority to make decisions that are best made closer to the people, not in Sacramento. My plan also envisions reorganizing state government to make it more efficient and save scarce tax dollars by consolidating or eliminating functions. Since it will take some time to fully implement these changes, I propose to ask the voters for a five-year extension of several current taxes so that we can restructure in an orderly manner with minimal disruption.

If we make the tough decisions now and put our accounts in order, we will again make California the national leader in job creation as our nation slowly recovers from the current recession.

We begin 2011, after the longest budget stalemate in the history of California, with a budget gap of more than \$25 billion. Short-term measures and gimmicks adopted in recent years did not solve our problem and in fact made it worse. This Budget closes our short-term budget gap and also eliminates projected future deficits.

The Budget focuses on the core functions of government and maintains essential services. Nowhere is this more important than in our public schools, which have taken big cuts in recent years.

Along with responsibilities returned to local government through the proposed realignment, the Budget provides dedicated and ongoing revenues.

As California's economy begins to recover — and recover it will — our restructuring plan will make California government more transparent, efficient and responsive to the people.

This is a tough budget for tough times. I look forward to working with you and taking decisive action without delay.

Sincerely,

/s/ Edmund G. Brown Jr.

Edmund G. Brown Jr.

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